

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00

DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /088 W

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FM USMISSION OECD PARIS

TO SECSTATE WASH DC 5036

INFO USMISSION EC BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY ROME

LIMITED OFFICIAL USE OECD PARIS 02135

E.O. 11652: N/A

TAGS: ETRD, EMIN, FR, EEC, OECD

SUBJECT: PROPOSED OECD CONSULTATIONS ON PHOSPHATE  
FERTILIZERS

REF: A. STATE 7118; B. STATE 11677

1. AFTER INFORMAL DISCUSSIONS WITH KEY MEMBERS OF  
OECD SECRETARIAT, MISSION OFFERS FOLLOWING COMMENTS  
ON PROPOSED DISCUSSIONS HERE ON PHOSPHATE FERTILIZER  
PROBLEMS.

2. GENERALLY, OECD REMAINS A FLEXIBLE FORUM FOR  
VARIETY OF ECONOMIC CONSULTATIONS AND COULD BE USED IN  
THIS SITUATION. UNDER PROCEDURES OF TRADE COMMITTEE  
ANY COUNTRY CAN ASK FOR CONSULTATIONS REGARDING A PAR-  
TICULAR TRADE PROBLEM. WE COULD SEEK DISCUSSIONS HERE  
OF POSSIBLE EC INVOCATION OF GATT ART XIX OR OF FRENCH  
RESTRICTIVE USE OF TECHNICAL VISA SYSTEM. COMMITTEE  
ON RESTRICTIVE BUSINESS PRACTICES MIGHT BE ASKED BY  
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EC TO LOOK INTO ALLEGED DISCRIMINATORY PRICING PRAC-  
TICES OF U.S. PHOSPHATE ROCK AND FERTILIZER EXPORTS  
ALTHOUGH UNTIL NOW LATTER COMMITTEE HAS RARELY IF  
EVER BEEN USED FOR CONSULTATIONS ON SPECIFIC ALLEGA-  
TIONS OF INTERNATIONALLY SIGNIFICANT EFFORTS TO  
ESTABLISH DOMINANT MARKET POSITIONS. HOWEVER, SINCE  
ISSUES REALLY STRADDLE COMPETENCE OF THESE COMMITTEES,

BETTER ALTERNATIVE WOULD PROBABLY BE TO REQUEST  
ESTABLISHMENT OF AD HOC COUNCIL WORKING PARTY. WE  
COULD ASK EC TO JOIN US IN REQUESTING SUCH ACTION.

3. THIS HAVING BEEN SAID, WE ARE NOT SURE OF PARTICULAR CONTRIBUTION THAT OECD CAN MAKE TO RESOLUTION OF THIS ISSUE. SECRETARIAT DOES NOT HAVE UP-TO-DATE EXPERTISE ON INTERNATIONAL FERTILIZER INDUSTRY, ALTHOUGH A CONSULTANT COULD PRESUMABLY BE RETAINED. ISSUE ITSELF SEEMS TO BE PRIMARILY BILATERAL ONE BETWEEN OURSELVES AND EC. AS WE READ TRADE STATISTICS, WE DO NOT SEE MAJOR INTEREST OF OTHER OECD MEMBERS IN THIS PROBLEM.

4. THERE MAY BE SOME MINOR DISADVANTAGES TO USE OF OECD FORUM. WE WOULD OF COURSE BE STRENGTHENING THE CONCEPT OF PRIOR CONSULTATIONS HERE ON BILATERAL PROBLEMS AND THIS CONCEPT MIGHT NOT ALWAYS BE SEEN IN OUR OWN INTEREST. THERE IS ALSO A QUESTION OF WHETHER POSSIBLE PARTICIPATION OF ONLY MILDLY INTERESTED THIRD PARTIES MIGHT COMPLICATE RATHER THAN CLARIFY THE ISSUES.

5. IN SHORT, WHILE WE DO NOT SEE SPECIFIC ADVANTAGES THAT WOULD BE GAINED BY PUTTING THIS ISSUE IN MULTILATERAL FORUM WHICH COULD NOT BE OBTAINED THROUGH GOOD, BROAD-SCALE US-EC BILATERAL DISCUSSIONS, WE DO NOT SEE STRONG DISADVANTAGES EITHER. IF WASHINGTON SO DESIRES, WE THINK SUCH DISCUSSIONS COULD BE LIMITED OFFICIAL USE

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TURNER

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 STATE 7118, 77 STATE 11677  
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**TAGS:** ETRD, EMIN, ECEM, FR, EEC, OECD  
**To:** STATE  
**Type:** TE  
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